



Customs Consultative Committee

Customs Reform Package

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Overview

- The Customs Reform Proposal was adopted by the College of Commissioners on 17 May 2023.
- The proposal is ambitious, involving:
 - streamlined customs processes,
 - a new approach to eCommerce,
 - the replacement of the AEO authorisation with an enhanced Trust & Check (T&C) model,
 - the establishment of an EU Customs Authority (EUCA), and
 - the establishment of an EU Data Hub.
- The proposal envisages a move away from customs declarations to a continuous flow of data between traders and the EU Data Hub.
- The provision of the data will be triggered by real life events e.g. when an invoice is sent from the seller to the purchaser or when a logistics company is contracted to move goods.

New concepts

- Deemed importers for eCommerce.
- Removal of the €150 de minimis.
- Introduction of a duty bucket system for eCommerce.
- Single trader interface for IT systems.
- Enhanced data sharing via the Data Hub.
- Trust & Check authorisation:
 - Possibility to provide simplifications for non-customs requirements.



Approach to eCommerce

- Deemed importer = any person involved in the distance sales of goods to be imported from third countries into the customs territory of the Union who is authorised to use the VAT Import One Stop Shop (IOSS).
- Distance sales of goods imported from 3rd countries:
 - distance sales of goods imported from third countries or third territories as defined in VAT legislation,
 - by or on behalf of the supplier,
 - for a non-taxable person i.e. consumers,
 - transport or dispatch from a third country.
- Simplified tariff treatment (bucket system) for distance sales.
- Duty calculated and collected at time of payment.

8. Simplified tariff treatment (buckets system)

WTO compatible:
voluntary, buckets are
not based on historical
analysis of trade (no
discrimination)

Related to 'distance
sales of goods
imported from third
countries' within the
meaning of Article
14 (4) (2) VAT
Directive 2006/112

A (voluntary) 4-tier bucket system to **simplify calculation of duties**



Trust and Check Authorisation

- Will gradually replace AEO(C):
 - 2032 – no longer possible to apply,
 - 2032-2037 – existing authorisations remain valid but need to be reassessed,
 - 2038 – no longer valid.
- AEO(S) will remain separate and will not be replaced.

Trust and Check – who can apply?

- Importers or exporters, resident or registered in EU customs territory with regular customs operations for at least 3 years.
- Criteria:
 - Absence of infringements,
 - High level of control of operations and of the flow of goods,
 - Allows appropriate customs controls and evidence that non-compliance has been effectively remedied; inform customs whenever compliance difficulties are discovered,
 - Financial solvency, and appropriate security, safety and compliance standard
 - Standards of competence or professional qualifications; employees instructed re use of Hub
 - Appropriate security and safety standards
 - Electronic system providing or making available to customs real-time all data on the movement of the goods and the compliance of with all requirements

Trust and Check continued

- Application made in MS of establishment who must have access to last 3 years data
 - Authorisation will be monitored continuously + in-depth monitoring every 3 years,
 - T&C must inform customs of changes in corporate structure, ownership, solvency situation, trading models or any other significant changes in its situation and activities,
 - Authorisation will need to be re-assessed if there is a change of MS of establishment.
- Proposed benefits include:
 - Provide part of the data on the goods after release,
 - Perform certain controls and release (release on behalf of customs),
 - Periodically determine the customs debt and defer its payment (also reduced guarantee),
 - Less physical controls,
 - No obligation to place goods under transit from MS of first entry to MS of destination.

Key milestones

- EU Commission (Cion) will begin the development of the EU Data Hub when the new legislation is adopted.
- EUCA to commence its tasks in 2028 including the further development of the EU Data Hub.
- eCommerce operators begin submitting data to the EU Data Hub on a voluntary basis in 2028.
- Use of the EU Data Hub will be mandatory for Trust & Check operators by 2032.
- Other traders move to the EU Data Hub by 2038.

EU discussions on the proposal

- Impact assessment has been discussed at Customs Union Working Group (CUG) meetings.
- Technical discussions beginning in October under Spanish Presidency.
- High-level seminar on eCommerce mid-October.
- Discussions will continue under the Belgian and Hungarian Presidencies in 2024.
- Also being discussed separately by EU Parliament.

How to make your voice heard

- EU's Trade Contact Group
- Platform for trade consultations at EU level on the development and implementation of customs related issues and developments of customs policy.
- Exchange of views with Commission's services on all customs related issues.
- Currently 49 trade associations are members of the group.